



MACHINE-AS-A-SERVICE SUBSCRIPTION AGREEMENT

This Machine-as-a-Service Subscription Agreement (this “Agreement” or “MaaS Agreement”) is made and entered on , 2018 (the “Effective Date”) by and between Knightscope, Inc., with its principal place of business at 1070 Terra Bella Ave, Mountain View, CA 94043 (“Knightscope” or “KI”) and City of Huntington Park, with its principal place of business at 6550 Miles Avenue, Huntington Park, CA. 90255 (“Customer”).

Knightscope and Customer may be referred to herein individually as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Knightscope has developed certain (i) equipment and (ii) internet-based user interface and/or mobile applications listed in Exhibit A attached hereto (respectively, the “Equipment” and “Interface”, and collectively, the “Services”);

WHEREAS, Customer wishes to obtain from Knightscope on a subscription basis, and Knightscope wishes to provide to Customer, the Services in accordance with the terms and conditions of the Agreement; and

WHEREAS, each Party is duly authorized and capable of entering into this Agreement;

NOW, THEREFORE, in consideration of the above recitals and the mutual promises and benefits contained herein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties hereby agree as follows:

1. DELIVERY AND GRANT OF RIGHTS: Subject to the terms and conditions of this Agreement, Knightscope hereby agrees to deliver to Customer at Customer’s premises, and Customer agrees to accept delivery from Knightscope of, the Equipment set forth in Exhibit A. All use of the Interface is subject to Customer’s acceptance and agreement with Knightscope’s terms and conditions available online at <https://www.knightscope.com/terms/> (the “Interface TOS”). Subject to the terms and conditions of this Agreement and the Interface TOS, Customer shall have a non-exclusive, non-transferable, right during the Term to use the Equipment and Interface for Customer’s internal business purposes only, which may include providing security services to Customer’s clients.

2. RESTRICTIONS: Customer shall not, and shall not permit any third party to: (i) modify or create any derivative works based on the Equipment or Interface; (ii) sublicense, distribute, sell, lend, rent, lease, transfer, or grant any rights in or to all or any portion of the Equipment or Interface or provide access to the Interface to third parties on a service bureau basis or otherwise; (iii) decompile, disassemble, reverse engineer, reverse assemble, analyze or otherwise examine, prepare derivative works of, modify, or attempt to derive source code from the Equipment or Interface; (iv) remove, modify, alter, destroy, or obscure any of the logos, trademarks, patent or copyright notices, confidentiality or proprietary legends or other notices or markings on the Equipment or Interface; (v) add any logos, proprietary marks or other notices or markings on the Equipment or Interface without prior written consent of Knightscope; (vi) use the Equipment or Interface other than as permitted under this Agreement; or (vii) use the Services or Knightscope’s Confidential Information to develop, have developed, or assist in the development of any product or service competitive with the Services.

3. TERM; TERMINATION: This Agreement shall commence on the Effective Date and, unless earlier terminated as set forth below, shall be for a period of one (1) year (the “Term”) and shall renew automatically for one (1) year periods. At the end of the Term, Customers shall have the option to upgrade Equipment based upon availability and current pricing. This Agreement may be terminated prior to the end of the Term: (a) by a Party for cause upon providing thirty (30) days’ advance written notice describing a breach by the other Party of any material term or condition of this Agreement and the other Party failing to fully cure such breach within such thirty (30) days’ period; (b) by a Party for



cause immediately upon written notice if the other Party becomes insolvent or unable to pay its debts as they mature in the ordinary course of business or makes an assignment for the benefit of its creditors, or proceedings (whether voluntary or involuntary) are commenced against the other Party under any bankruptcy, insolvency or debtor's relief law and such proceedings are not vacated or set aside within sixty (60) days from the date of commencement thereof; and (c) by Customer without cause upon providing at least ninety (90) days' prior written notice to Knightscope. In the event this Agreement is terminated by Customer without cause or is terminated by Knightscope for cause, Customer shall remain liable for all payments that would have been due during the Term under this Agreement had it not been terminated. In the event Customer terminates this Agreement for cause, Knightscope shall refund to Customer a pro-rated portion of any Subscription Fee prepaid by Customer to Knightscope for the remainder of the Term. In the event of any expiration or termination of the Agreement: (i) all rights and licenses granted by Knightscope to Customer shall immediately terminate and Customer shall immediately stop using all Services; (ii) all outstanding payments due hereunder shall become immediately payable; and (iii) the following sections of this Agreement shall survive any such expiration or termination: Sections 2, 3, 4, 11, 12, 13, 14, and 16 through 23.

Upon the Expiration or Termination of this Agreement, Customer shall surrender the Equipment to Knightscope by delivering the Equipment to Knightscope or Knightscope's agent in good condition and working order, ordinary wear and tear excepted, substantially as it was at the commencement of the Agreement (except for enhancements or other changes which may have been installed with Knightscope's knowledge during the term).

4. PAYMENTS: Customer agrees to pay to Knightscope the subscription fees for the Equipment and Interface (the "Subscription Fee"), in the amount indicated on Exhibit A. Contract may be pre-paid annually, with the first year's subscription due upon execution of this agreement and subsequent years' subscriptions due on the anniversary dates, at the prices listed in Exhibit A. Alternatively, Customer may elect monthly billing in which case a 10% premium will apply to the costs in Exhibit A, the first and last months' subscription costs will be due upon execution of this agreement, and subsequent monthly payments will be due on the first day of each succeeding calendar month following the Deployment Date. If the Term does not start on the first day of a calendar month, the payment amount will be prorated accordingly. Charges for LTE utilization by the Customer in excess of the allotted data plan will be billed directly as incurred.

Customer will submit all payments to Knightscope at the address set forth in Section 20 below or at such other address that Knightscope may hereafter specify in writing. In the event any payment hereunder is more than ten (10) days late, Knightscope may impose and collect interest of 1.50% per month, compounded monthly (18% per annum) or the highest amount allowed under law, whichever is less.

5. INTERFACE HOSTING AND SUPPORT: Knightscope will host the Interface and will provide Customer with information sufficient to allow Customer to access the Interface through a Web browser and/or mobile application. Customer is responsible for providing, at Customer's own expense, all necessary telephone lines, Internet connections, equipment, software (including a compatible Web browser), and services for Customer to effectively access the Interface. Customer is responsible for upgrading and configuring Customer's internal systems (e.g. network settings, Internet routing, firewalls, and Web browsers) to be and remain compatible with and optimize the performance of the Interface. Knightscope will use commercially reasonable efforts to support the Interface, and maintain its accessibility for Customer during the Term. During the Term, Knightscope will use commercially reasonable efforts to provide Customer with all generally released updates and upgrades to the Interface at no additional charge.

6. MAINTENANCE AND RETURN OF EQUIPMENT: Customer shall inspect the Equipment upon delivery to determine whether it is in good and serviceable condition. If the Equipment is not in good and serviceable condition, Customer may notify Knightscope in writing within five (5) days of delivery and request redelivery of Equipment, in which case the start of the Term shall automatically be postponed until Knightscope delivers Equipment that is in good and serviceable condition. Once delivered, Customer shall keep the Equipment reasonably secure and in good condition and working order (ordinary wear and tear excepted), except for the maintenance and repair that is Knightscope's



responsibility as set forth below.

Knightscope will, at its sole expense, provide ongoing technical support and maintenance for the Equipment during the Term except with respect to loss or damage to the Equipment caused by Customer's negligence or failure to keep the Equipment reasonably secure. Knightscope will attempt to provide technical support remotely. In the event that Knightscope is unable to rectify an issue remotely, it will dispatch its personnel or agent to Customer's location. Customer will provide Knightscope with physical access to the Equipment at all times during the Term to perform such support and maintenance 24/7. Customer agrees that Knightscope may, in lieu of repairing Equipment previously provided and in its sole discretion, replace any such Equipment with replacement Equipment of the same type as is set forth in Exhibit A and such replacement Equipment shall be treated as the originally delivered Equipment for all other purposes under this Agreement. In the event Equipment is offline for 48 or more consecutive hours for reasons other than those outlined in Section 24 and replacement Equipment is not available, Knightscope shall record a credit to the account for the duration of the time the Equipment is offline. The accumulated annual amount from each offline event in excess of 48 hours will be recorded as a credit on the monthly invoice corresponding with the anniversary of the Effective Date or, in the event of prepaid agreements, will be issued as a check on the anniversary of the Effective Date. In addition, at any time before Customer surrenders the Equipment to Knightscope, if the Equipment is lost or damaged beyond repair due to Customer's negligence, intentional misconduct, or failure to keep the Equipment reasonably secure, then (i) Customer shall pay to Knightscope the replacement cost of the Equipment which shall not exceed an amount equal to 12 months' Subscription Fee hereunder; and (ii) Knightscope shall replace the Equipment and the obligations of the Parties under this Agreement shall continue in full force and effect through the remainder of the Term. For the avoidance of doubt, Knightscope is responsible for all maintenance, service, upgrades and support of the Equipment, and Customer is only responsible under the preceding sentence for loss or damage due to Customer's negligence, intentional misconduct, or failure to keep the Equipment reasonably secure.

7. NO ENCUMBRANCES; TAXES: Customer shall keep the Equipment free and clear of any liens or other encumbrances, and shall not permit any act where Knightscope's title or rights in or to the Equipment may be adversely affected. Customer shall be responsible for complying with and conforming to all laws and regulations relating to its possession or use of the Equipment, including the payment of any and all taxes, fees, licenses and governmental charges, together with any penalties or interest thereon, relating to its possession or use of the Equipment.

8. KNIGHTSCOPE REPRESENTATIONS: Knightscope hereby represents and warrants to Customer that (a) it has all necessary rights to provide the Services in accordance with this Agreement, (b) it will comply with all applicable federal, state, and local laws, rules, regulations, orders, and ordinances in the performance of its obligations hereunder, (c) the Equipment and the Interface will conform in all material respects with the specifications set forth in this Agreement, and (d) the maintenance and repair services provided by Knightscope hereunder will be performed on a professional basis and in a workmanlike manner.

9. CUSTOMER REPRESENTATIONS: Customer hereby represents and warrants to Knightscope that (a) it will comply with all applicable federal, state, and local laws, rules, regulations, orders, and ordinances in its utilization of the Services and the performance of its obligations hereunder, and (b) it will use and keep the Equipment in a careful and proper manner and will comply with all Knightscope instructions regarding the use, maintenance, and storage thereof. Customer shall also supply its own electricity to sufficiently power the Equipment during the Term of the Agreement.

10. WARRANTY DISCLAIMER: Except for the express limited warranty set forth in Section 8, Knightscope makes no warranties, express, implied, statutory or otherwise, and specifically disclaims, on its own behalf and on behalf of its suppliers and licensors, any implied warranties of merchantability, fitness for a particular purpose, title and non-infringement. Knightscope does not warrant that the Services will meet Customer's requirements or that the use thereof will be uninterrupted or error free.

11. LIMITATION OF LIABILITY: In no event shall either Party be liable hereunder to the other Party



for indirect, incidental, special or other consequential damages, including without limitation damages for loss of profits or use or loss of data incurred by the other Party or any third party, arising out of or related to this agreement, whether in an action in contract, tort, or otherwise, even if the other Party has been advised of the possibility of such damages. In no event shall either Party's aggregate liability arising out of or related to this Agreement, regardless of whether any action is based on contract, tort or otherwise, exceed the aggregate amounts paid or payable hereunder. The parties agree that the foregoing limitations represent a reasonable allocation of risk under this agreement. Notwithstanding the foregoing, the limitations of damages provided for in this Section shall not apply with respect to damages arising out of the parties' obligations under Sections 2, 12 and 15.

12. CONFIDENTIALITY: "Confidential Information" means any and all information disclosed by either Party to the other that is in written, graphic, machine-readable, or other tangible form and is marked "Confidential" or "Proprietary" or in some other manner to indicate its confidential nature. Confidential Information may also include oral disclosures provided that such information is designated as confidential at the time of disclosure and reduced to a written summary by the disclosing Party within 30 days after its oral disclosure, which is marked in a manner to indicate its confidential nature and delivered to the receiving Party. The receiving Party agrees: (i) to use the disclosing Party's Confidential Information solely in accordance with the provisions of this Agreement; and (ii) not to disclose, or permit to be disclosed, either directly or indirectly, the disclosing Party's Confidential Information to any third party without the disclosing Party's prior written consent. The receiving Party shall safeguard the disclosing Party's Confidential Information using the same measures it uses to protect its own Confidential Information, but in no event shall either Party use less than reasonable care in safeguarding the Confidential Information of the other Party. Notwithstanding the foregoing, Confidential Information shall not include information that is: (a) publicly available through no fault of the receiving Party, (b) rightfully obtained from third parties not under confidentiality restrictions, (c) already known by the receiving Party at the time of disclosure by the disclosing Party, or (d) is independently developed by the receiving Party without use or reference to the disclosing Party's Confidential Information. The receiving Party may disclose the disclosing Party's Confidential Information as may be required by law, a court order, or a governmental agency with jurisdiction, provided that before making such a disclosure, the receiving Party will first notify the disclosing Party to give the disclosing Party an opportunity to limit such disclosure or seek a protective order. Upon the disclosing Party's written request, or upon expiration or termination of this Agreement, the receiving Party shall return to the disclosing Party all originals and all reproductions and copies of all Confidential Information of the disclosing Party, and delete all Confidential Information from its electronic records and shall certify to the disclosing Party that it has done so, in a writing signed by an officer of the receiving party; notwithstanding the forgoing, the receiving Party may retain a copy of those records necessary to establish rights of payment, or which must be retained to satisfy reporting or legal obligations, provided that such archival copy is kept confidential until destroyed. If either Party breaches, or threatens to breach the provisions of this Section 12, each Party agrees that the non-breaching Party will have no adequate remedy at law and is therefore entitled to immediate injunctive and other equitable relief, without bond and without the necessity of showing actual money damages.

13. DATA: Customer shall solely own all rights, title and interest in or to the audio, video, and other incident reporting data captured by the Equipment during deployment at the Customer's premises ("Content Data"). Knightscope may use the Content Data solely to provide the Services to Customer and to debug, improve and enhance the Services or to assist the Customer in forensics analysis if requested to do so by the Customer. Except for any Content Data, Knightscope shall solely own all rights, title and interest in or to all other data collected or generated by the Equipment and Interface ("Machine Data"). All Content Data shall be available to Customer for download through the Interface for a period of two (2) weeks from the date such Content Data was recorded. Unless otherwise agreed between the Parties in writing, Knightscope shall have no further obligation to maintain any Content Data in its databases or forward it to Customer or any third party and may, in its sole discretion, irrevocably delete any Content Data from its databases following a period of two (2) weeks from the date such Content Data was recorded. Upon any termination of this Agreement, all Content Data may be irrevocably deleted by Knightscope, and Customer is solely responsible for downloading copies thereof before the termination or expiration hereof; provided, however, that Knightscope may retain and make certain Content Data available to Customer after the termination of this Agreement



upon the Parties' agreement for a retention fee with respect thereto.

14. OWNERSHIP: The Equipment is loaned to Customer and not sold. The Equipment and Interface are and shall at all times remain the exclusive property of Knightscope, even if installed in or attached to real property by Customer. Except as expressly provided herein, Knightscope shall retain all right, title, and interest in and to the Equipment and Interface, including all intellectual property rights therein.

15. INDEMNIFICATION: Each Party shall indemnify and hold the other Party and its officers, directors, employees, and agents, harmless from any loss, damages, fines, penalties and costs (including, but not limited to, attorneys fees) arising out of any third party claims, actions or suits to the extent arising out of or resulting from: (a) personal injury (including death) and property damage directly caused by the indemnifying Party or its personnel; (b) gross negligence or willful misconduct of the indemnifying Party or its personnel, (c) failure of the indemnifying Party to comply with any applicable law or regulation, and (d) in the case when Knightscope is the indemnifying Party, any claim that the Services infringe, violate or misappropriate the intellectual property rights of a third party. The foregoing obligation shall not apply to the extent that (i) any alleged infringement is based upon any modification of the Equipment or Interface not made by Knightscope; or (ii) use of the Equipment or Interface in combination with any products or services of Customer or a third party. The provisions of this Section state the sole and exclusive liability of Knightscope, and the sole and exclusive remedy of indemnified Party, with respect to any actual or alleged claim of infringement or misappropriation of any intellectual property rights.

The indemnifying Party's obligations under this Section 15 are subject to the indemnified party providing the indemnifying Party with (i) prompt written notice of such claim; (ii) exclusive control over the defense and settlement of such claim; and (iii) proper and full information and assistance to settle and/or defend any such claim.

16. FEEDBACK: Any ideas, suggestions, guidance or other feedback provided by Customer to Knightscope in relation to the Services shall be collectively referred to as "Feedback." Customer agrees that Knightscope shall own all Feedback. Customer further agrees that Knightscope may freely use and exploit all such Feedback without any restrictions, including for purposes of improving and enhancing the Services.

17. SEVERABILITY: If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement invalid or unenforceable, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

18. ASSIGNMENT: Neither this Agreement nor any rights hereunder may be assigned by either Party to a third party, except with the other Party's prior, written consent. Notwithstanding the foregoing, either Party may freely assign this Agreement without obtaining the other Party's consent in connection with any reorganization, reincorporation, consolidation, merger, acquisition, change of control, or sale of all or substantially all of its assets related to this Agreement, or to a parent, affiliate, or subsidiary. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

19. GOVERNING LAW: This Agreement is governed by the laws of the State of California, without giving effect to provisions related to choice of laws or conflict of laws. The application of the United Nations Convention on the Sale of Goods is not applicable and expressly disclaimed by the Parties. Venue and jurisdiction of any lawsuit involving this Agreement exists exclusively in the state and federal courts in Santa Clara County, California, unless either Party seeks injunctive relief that, in that Party's reasonable and good faith judgment, would not be effective unless obtained in some other venue. The prevailing Party in any lawsuit arising from or relating to this Agreement is entitled to recover its costs, including reasonable attorney fees.

20. NOTICE: Any notice required or otherwise given pursuant to this Agreement shall be in writing



and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service to:

KNIGHTSCOPE:

Knightscope, Inc.
1070 Terra Bella Ave
Mountain View, CA 94043
Attn: Blythe P. Hines

CUSTOMER:

City of Huntington Park
6550 Miles Avenue
Huntington Park, CA. 90255
Attn: Ricardo Reyes

Either party may change such addresses from time to time by providing notice as set forth above.

21. ENTIRE AGREEMENT: This Agreement, together with its exhibits and attachments, constitutes the entire agreement between the Parties with respect to its subject matter and supersedes any prior understanding or representation of any kind with respect to such subject matter preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement. This Agreement may only be modified in writing signed by both Knightscope and Customer.

22. WAIVER: The failure of either Party to enforce any provisions of this Agreement shall not be deemed a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with every provision of this Agreement. The acceptance of any fees hereunder by Knightscope does not waive Knightscope's right to enforce any provisions of this Agreement.

23. CONSTRUCTION: Singular terms will be construed as plural, and vice versa. Section headings used in this Agreement and the attached exhibits are for convenience only and will not be considered part of this Agreement. As used in this Agreement, the words "include" and "including," and variations thereof, will be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement.

24. Force Majeure: In no event shall Knightscope be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss, malfunction of or lack of access to utilities or communications networks not directly under its control; it being understood that Knightscope shall use reasonable efforts to resume performance as soon as both Parties agree that it is safe and practical to do so.

[Remainder of page left intentionally blank; signature page follows.]



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

KNIGHTSCOPE, INC.

_____ (Signature)

Name: Daniel A Landreneau

Title: Director Client Development

AGREED:

CUSTOMER

_____ (Signature)

Name: Ricardo Reyes

Title: Interim City Manager

BILLING CONTACT:

Name:

Email:

Phone:

Address:



EXHIBIT A: PRICING

PRICE LIST

Subscription & Options Packages	Description	Monthly Cost
Standard ADM Subscription	<ul style="list-style-type: none"> • K1 Autonomous Data Machine (ADM) • Custom Decals and Markings • Standard Monitoring Area Signage • 360 Degree On Demand Live Video • 720p Recorded 360 Degree Video • 24 Hours Data Storage • 100GB Cellular Data Plan • KSOC User Interface License • 24/7 Network Monitoring and Support • On-Site Maintenance and Support • Forensics Support • Unlimited Software and Firmware Upgrades • Eligible Hardware Upgrades • Nationwide Shipping • Two-Week Deployment Setup and Configuration 	K1: \$4,500/mo (Stationary) K3: \$6,500/mo (Indoor) K5: \$6,500/mo (Indoor/Outdoor)
Ultra HQ Video Package	<ul style="list-style-type: none"> • 4k Ultra HD 360-degree recorded video • 30 days data storage • Unlimited Live Video Streaming (requires WiFi) 	+\$300/mo
Parking Monitor Package	<ul style="list-style-type: none"> • Quad Automatic License Plate Recognition • Parking Enforcement Analytics • Strobe Light 	+\$400/mo
Interactions Package	<ul style="list-style-type: none"> • Custom Broadcast Messaging • Two-Way Live Intercom • Live Audio 	+\$500/mo
After-Hours Package	<ul style="list-style-type: none"> • People Detection • Automatic Signal Detection • Thermal Scanning • RFID Badge Reader 	+\$600/mo

Notes:

1. Prices assume 1-year contract paid annually at signing.
2. Monthly payment plans available at 10% premium with first and last month subscriptions due at signing.
3. Custom deployment requirements including oversized or highly complex areas will be billed at \$150/hour for setup time beyond the included 2 weeks.
4. Cellular overages will be billed as a pass-through cost.
5. Parking Monitor package not available on K3.
6. Autonomous operation, charging and patrol scheduler not available on K1.

CUSTOMER ADM CONFIGURATION & COST

# of Subscriptions	Option Packages	Total Monthly	Total Annual
K5: <u>1</u> \$6,500/mo.	<input checked="" type="checkbox"/> Ultra HD Video +\$00 <input checked="" type="checkbox"/> Parking Monitor +\$200 <input checked="" type="checkbox"/> Interactions +\$0 <input checked="" type="checkbox"/> After-Hours +\$600	\$7,300	\$87,600
Total		\$7,300	\$87,600